

HOUSE BILL 674

By Freeman

AN ACT to amend Tennessee Code Annotated, Title 57,
relative to food halls.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 57-4-101(a), is amended by adding the following new subdivision (22):

(22) Food hall, as defined in Section 2, to those in attendance at the food hall, subject to the provisions of this chapter.

SECTION 2. Tennessee Code Annotated, Section 57-4-102, is amended by adding the following new subdivision:

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(A) "Food hall" means a public place:

(i) Kept, used, maintained, advertised, and held out to the public as a place where meals are served and where meals are actually and regularly served;

(ii) With adequate and sanitary kitchens, dining room equipment, and a seating capacity of at least one thousand two hundred (1,200) people at tables, counters, and other places for dining;

(iii) Having a sufficient number and kind of persons to prepare, cook, and serve suitable food for guests; and

(iv) Located in a facility or designated area having the following characteristics upon completion of construction:

(a) The facility has at least ninety thousand square feet (90,000 sq. ft.) in a multi-level mixed-used commercial building which includes restaurants, bars, and a rooftop with a live music venue;

(b) The facility includes at least twenty (20) separate points of sale, contiguous or noncontiguous, that regularly prepare and sell food;

(c) The property that houses the facility is across a public street from a live performance venue that was originally constructed in 1892 as a religious facility;

(d) The property that houses the facility is adjacent to a facility originally constructed in 1925 that houses the Grand Lodge of Free and Accepted Masons of Tennessee; and

(e) The facility is located in a county with a metropolitan form of government having a population of not less than five hundred thousand (500,000), according to the 2010 federal census or any subsequent federal census;

(B) The premises of a food hall means any or all of the property that constitutes the food hall, except any other separately licensed premises that are located in the food hall. The licensee may operate multiple points of sale with different business names within the food hall. The licensee shall designate the premises and each point of sale to be licensed by the commission by filing a drawing of the premises, which may be amended by the licensee filing a new drawing. The points of sale may be noncontiguous within the licensed premises. The entire designated premises is covered under one (1) license issued under

this subdivision (). The licensee does not have to prepare or sell food as a condition of the license;

(C) A licensee licensed as a food hall may grant a franchise for the provision of alcoholic beverages to any person that regularly prepares and sells food on the food hall premises. The holder of the franchise is deemed to be a food hall under this subdivision (), and such franchisee is not required to obtain its own license; provided, that prior notice must be given to the commission, in such manner as may be prescribed by the commission. The licensee shall pay the commission for each franchisee licensed under this subdivision () a six hundred twenty-five dollar (\$625) annual privilege tax, which may be prorated for the first year based on the renewal date of the licensee. Upon renewal of the food hall license by the licensee, and payment of the annual privilege tax for each franchise by the licensee, the franchise is deemed renewed;

(D) A restaurant may be located within the premises of a food hall; provided, that the defined premises of such restaurant may be open for public ingress and egress within the premises of the food hall. Such restaurant may store its inventory of beer and alcoholic beverages on the licensed premises of the restaurant or food hall pursuant to subdivision ()(G);

(E)

(i) Except as specifically set forth in this subdivision ()(E), the commission shall enforce this chapter against each point of sale on the premises of the food hall and shall not cite, penalize, or take any other adverse action against a point of sale for any violation committed by another point of sale within a common licensed area on the premises of the food hall. There is a rebuttable presumption of liability for a specific

point of sale for any underage sale or other violation based on the specific type of container, brand of beer or wine, or the name or logo on the labeled or unlabeled glassware or cup provided to a person or minor. In the absence of a container, glassware, or cup identifying the point of sale, the commission may determine which point of sale to cite for an underage sale or other violation. If the commission is unable to determine which point of sale committed a violation after conducting a reasonable investigation, the commission may issue a citation to one (1) or more points of sale that share the common licensed area where the violation occurred. If the licensee or multiple franchisees commit multiple violations of this chapter that jeopardize public safety which are of the same or similar nature during a twelve-month period, the commission may suspend or revoke the license of the licensee or franchisee after written notice and an opportunity to implement remedial measures;

(ii) The commission may suspend or revoke the license of a licensee or franchisee, fine a licensee or franchisee, or both, upon consideration of :

(a) Whether the licensee has a commercially reasonable written policy to enforce the provisions of this chapter;

(b) Whether the licensee provides commercially reasonable training for all employees engaged in the sale and service of beer and alcoholic beverages;

(c) Whether the citation primarily resulted from an employee violating a written policy;

(d) Whether the employee that violated the written policy is either terminated or suspended without pay;

(e) Whether the licensee has maintained adequate and commercially reasonable supervision and control over the premises, points of sale, and staff involved in the sale of beer and alcoholic beverages; and

(f) Any other evidence deemed relevant by the commission;

(iii) The licensee may suspend or revoke the privilege of a franchisee to sell beer and alcoholic beverages for a violation of this chapter by providing written notice to the franchisee and the commission. The commission may consider the licensee's suspension or revocation of a franchisee's privileges to sell beer and alcoholic beverages in connection with imposing sanctions for citations; provided however, that the commission is not bound by any sanctions imposed by the licensee;

(F) A licensee licensed under this subdivision () may serve wine, high gravity beer, and beer in its original container, and spirit-based beverages in original containers that do not exceed three hundred seventy-five milliliters (375 ml) and an alcohol content that does not exceed fifteen percent (15%) by volume, in unlabeled cups or glassware, or in labeled cups or glassware identifying the licensee as the entity selling the alcoholic beverages or beer for on-premise consumption anywhere within the food hall;

(G) The licensee or any of its franchisees licensed under this subdivision () or a restaurant located on the premises of a food hall may store beer and alcoholic beverages in one (1) or more central storage locations in the food hall;

provided, that if the restaurant, franchisee, and food hall share the same storage area, the restaurant's inventory of beer and alcoholic beverages must be stored in a separately locked cage or other storage area. Notwithstanding any other provision in this chapter, the licensee, franchisee, or restaurant may transport beer and alcoholic beverages anywhere in the food hall, including, but not limited to, the premises of a separately licensed restaurant, public hallways, and areas that are restricted to the public for the purposes of transporting inventory within the food hall;

(H) Notwithstanding chapter 5 of this title to the contrary, the premises of a facility licensed under this subdivision () means for beer permitting purposes any or all of the premises that constitutes the food hall, except any other permitted premises located in the food hall. The permittee may operate multiple points of sale with different business names within the facility, which may be contiguous or noncontiguous. The permittee shall designate the points of sale to be permitted by the local beer board by filing a drawing of the premises, which may be amended by the permittee filing a new drawing. The entire designated premises is covered under one (1) beer permit issued under chapter 5 of this title. The permittee may grant a franchise for the sale of beer on its premises, and the holder of the franchise is not required to obtain its own beer permit; provided, that the franchisee's premises qualifies as an additional point of sale under this subdivision (). For enforcement purposes, the local beer board shall treat each point of sale in the facility separately for violations of chapter 5 of this title and local beer ordinances. The local beer board shall not cite a point of sale for violations committed by another point of sale within a common licensed area. There is a rebuttable presumption of liability for a specific point of sale for any

